

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

November 9, 2022

Agenda ID #21140
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 19-11-003, *et al.*:

This is the proposed decision of Administrative Law Judges Ava Tran and Garrett Toy. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 15, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE

Michelle Cooke

Acting Chief Administrative Law Judge

MLC:jnf

Attachment

ALJ/ATR/GT2/jnf **PROPOSED DECISION** Agenda ID #21140 [\(Rev. 1\)](#)
Ratesetting
[12/15/2022 Item #15](#)

Decision **PROPOSED DECISION OF ALJ TRAN AND ALJ TOY**
(Mailed 11/9/2022)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company for Approval of Energy
Savings Assistance and California
Alternate Rates for Energy Programs
and Budgets for 2021-2026 Program
Years. (U39M.)

Application 19-11-003

And Related Matters.

Application 19-11-004
Application 19-11-005
Application 19-11-006
Application 19-11-007

**DECISION DENYING THE PUBLIC ADVOCATES OFFICE'S
PETITION FOR MODIFICATION OF DECISION 21-06-015**

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DECISION DENYING THE PUBLIC ADVOCATES OFFICE'S PETITION FOR MODIFICATION OF DECISION 21-06-015

Summary

This decision denies the April 15, 2022, petition for modification of Decision 21-06-015 filed by the Public Advocates Office at the California Public Utilities Commission (Cal Advocates). In that decision, we approved the applications of the four major California Investor Owned Utilities: Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company and set forth the parameters for the administration of the California Alternate Rates for Energy, the Family Electric Rate Assistance, and the Energy Savings Assistance programs. That decision also approved budgets for, and directed the utilities' administration of, the California Alternate Rates for Energy, the Family Electric Rate Assistance, and the Energy Savings Assistance programs for the 2021-2026 program cycle.

The Cal Advocates' April 15, 2022 Petition for Modification of Decision 21-06-015 is denied for the reasons set forth below.

Application 19-11-003 *et al.* is closed.

1. Background

1.1. Procedural Background

On November 4, 2019, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E), (collectively investor-owned utilities, or IOUs) and Marin Clean Energy (MCE) filed applications for the approval of the California Alternate Rates for Energy (CARE), the Family Electric Rate Assistance (FERA), and the Energy Savings

Assistance (ESA) programs and budgets for program years 2021-2026. These applications reflected proposals for new program budgets, delivery models, targets and goals, measures offerings, and marketing, outreach, and enrollment practices, among other program and policy changes. The IOUs filed these applications in compliance with Decision (D.) 19-06-022,¹ while MCE filed its application in compliance with D.16-11-022.²

On June 7, 2021, the Commission issued D.21-06-015, which, among other things, directed the IOUs to maintain a 90 percent enrollment goal for CARE and, for FERA, achieve a 50 percent enrollment goal by 2023 and a 70 percent enrollment goal by 2026. The decision further eased recertification and post-enrollment verification (PEV) rules for certain groups of CARE and FERA customers to reduce participation barriers and lower program attrition.

On April 15, 2022, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed a petition for modification (PFM) specifically focused on CARE and FERA recertification and PEV procedures. Cal Advocates states that the current recertification and PEV procedures are overly burdensome to enrolled CARE and FERA customers, which then leads to high rates of attrition when these customers are asked to recertify or verify their income eligibility, and do not respond to these requests and are subsequently removed from these programs. In summary, Cal Advocates' PFM proposes to suspend all CARE and FERA income verification for at least 6 months, while the IOUs work with interested parties to develop an alternate income verification process to replace the current process.³

¹ D.19-06-022, Ordering Paragraph 1.

² D.16-11-022, at 390-391.

³ Cal Advocate's PFM of D.21-06-015, at 1-2.

On May 16, 2022, PG&E, SCE, and SDG&E (Joint IOUs) and SoCalGas filed comments in opposition to the PFM. The Utility Reform Network (TURN) and the Center for Accessible Technology (CforAT) filed joint comments in support of the PFM.

On May 18, 2022, the assigned Administrative Law Judge (ALJ) granted Cal Advocates permission to file a reply to parties' responses to Cal Advocates' PFM by May 31, 2022. On May 31, 2022, Cal Advocates filed its reply.

1.2. CARE and FERA Programs

CARE is a low-income energy rate assistance program that was established in 1989 to provide discounts on energy rates to low-income households with incomes at or below 200 percent of the federal poverty guideline (FPG).⁴ The program is authorized by Public Utilities (Pub. Util.) Code Section 739.1, and provides a 20 percent discount on natural gas charges and a 30 to 35⁵ percent discount on electric rates to qualifying households. CARE is funded by non-participating ratepayers as part of a statutory public purpose program surcharge that appears on their monthly utility bills.⁶

FERA is another low-income energy rate assistance program that was established in 2004 to provide discounts on energy rates to low and middle income households with annual incomes between 200 percent and 250 percent of FPG.⁷ The program is authorized by Pub. Util. Code Section 739.12 and provides

⁴ Pub. Util. Code § 739.1(a).

⁵ In 2013, the California state legislature revised Section 739.1(c) to require that the CARE electric discount be no less than 30 percent and no greater than 35 percent of the revenues that would have been provided for the same billed usage by non-CARE customers per California Assembly Bill (AB) 327 (Perea 2013).

⁶ Pub. Util. Code § 382.

⁷ FERA was authorized by D.04-02-057 as the Large Household Program.

an 18 percent discount on electric rates to qualifying households. FERA is funded by both participating and nonparticipating ratepayers, through either customer distribution rates or statutory public purpose program surcharges, that appear on their monthly utility bills.

CARE and FERA require the customer to self-certify that their income meets the program income eligibility requirements. Alternatively, customers may self-certify that they are enrolled in another categorical qualifying income-based program in order to participate in CARE.⁸ Therefore customers need not show proof of income eligibility in order to enroll in CARE or FERA. However, to protect the integrity of the self-certification option, the IOUs use a random sampling income verification process, also known as post enrollment verification or PEV, that balances the desire for the maximum number of eligible customers to participate with the need to verify participant eligibility.⁹

1.3. Income Verification Process

Income verification was implemented as a reasonable alternative to a 100 percent verification approach, with the intent to ensure that benefits are reaching only the intended eligible customers, while minimizing the burden of income verification for all. Currently, there are three methods by which CARE and FERA customers are asked to verify their income after enrollment. These processes were set up to protect the integrity of the self-certification option while

⁸ The categorical eligibility process automatically considers low-income customers to be qualified for the CARE program if the customer is already enrolled in one of the Commission-approved means-tested low-income public assistance programs. Means-tested programs are low-income assistance programs in which the customer's income is verified by the appropriate state or federal agency.

⁹ D.12-08-040 at 208.

balancing the desire for the maximum number of eligible customers to participate with the need to verify eligibility.

The first income verification method is recertification, under which customers verify their eligibility every two years or every six years for those customers on a fixed income. For households that are also identified by the IOUs' PEV probability models as having a "high likelihood" of being CARE or FERA eligible, the recertification requirement is every four years. Recertification only requires a phone call from the customer or an online form to be filled out on the IOU website in order to remain in the program.

The second income verification method is PEV, where customers who appear unlikely to qualify for CARE or FERA, as determined by the IOUs' algorithms or probability models, are required to submit documentation to verify their income, or demonstrate categorical eligibility through participation in other financial assistance programs in order to remain in the program.

The third income verification method is high usage post enrollment verification (HU PEV), where customers who exceed 400 percent of the monthly baseline for three months in a year are required to submit documentation to verify their income and enroll in the ESA program in order to remain in the program.

D.21-06-015 further eased recertification and PEV rules for certain groups of CARE and FERA customers to reduce participation barriers and lower program attrition (as further discussed in Section 4.2).¹⁰ As of July 2022, CARE's enrollment rate was 121% for SDG&E, 111% for SoCalGas, 104% for PG&E, and 93% for SCE. FERA's enrollment rate was 28% for SDG&E, 21% for PG&E and

¹⁰ D.21-06-015, at 33-45.

11% for SCE.¹¹ Currently, the IOUs perform PEV at annual rates ranging from around 4% of enrolled customers for SoCalGas to 8% for PG&E for the CARE program.¹² FERA PEV reporting has only begun in program year 2022. Currently the total FERA PEV rates for 2022 thus far have ranged from 0.5% for SCE to 0.9% for SDG&E.¹³

2. Cal Advocates' Petition for Modification

Cal Advocates asserts that new facts and changed circumstances since the issuance of D.21-06-015 show that the current IOU income verification processes are flawed. They claim that the new evidence shows CARE and FERA customers being removed from the program due to non-response to income verification requests when a high percentage of these non-responding customers actually qualify for the programs.¹⁴ Cal Advocates also claims that (1) the IOUs' income verification processes impose unreasonable barriers for eligible customers to participate in CARE and FERA; (2) eligible households suffer severe negative financial impacts when erroneously removed from CARE and FERA; and (3) the current PEV algorithms are flawed and include high usage as a variable, which undercuts improvements to the high usage verification process.¹⁵

The new evidence that Cal Advocates introduces to support its arguments include:¹⁶

¹¹ IOUs' Monthly CARE and FERA Reports for July 2022.

¹² D.17-12-009, at 288.

¹³ IOUs' Monthly CARE and FERA Reports for July 2022.

¹⁴ Cal Advocates' PFM of D.21-06-015, at 10.

¹⁵ Cal Advocates' PFM of D.21-06-015, at 17-18.

¹⁶ *Ibid* at 8-10, and Appendix B.

- IOU CARE income verification and recertification data from 2017-2019;
- IOU arrearage and disconnections data from 2017-2019;
- IOU 2017-2019 Low Income Annual Reports; and
- The 2019 Low Income Needs Assessment (LINA).

Specifically, Cal Advocates requests that D.21-06-015 be modified to require the IOUs to: (1) update their CARE income verification algorithms to be approved via Tier 2 Advice Letters; (2) conduct an outbound call pilot for households selected for recertification; (3) suspend CARE and FERA income verification for at least 6 months, which can be extended, until a more efficient and less burdensome income verification process is developed; (4) collaborate with interested parties to develop an alternate income verification process, and provide quarterly updates to the Commission; (5) work with interested parties to identify how to improve existing verification methods; (6) automatically re-enroll any customers removed from CARE and FERA due to their non-response to income verification requests, and return any lost discounts and back-charges to these customers in the form of a bill credit; (7) be prohibited from back-charging customers who are removed from CARE/FERA for the CARE/FERA discount; and (8) credit customers who do not respond to verification requests, but who re-enroll within three billing cycles and demonstrate eligibility, with the missed CARE/FERA discount.¹⁷

3. Party Responses

3.1. Joint IOUs

The Joint IOUs do not support Cal Advocates' PFM. They assert that: (1) Cal Advocates fails to put forth sufficient new facts to warrant changing the

¹⁷ *Ibid* at 18.

decision;¹⁸ (2) the PFM seeks to relitigate issues already evaluated by the Commission in this proceeding;¹⁹ (3) Cal Advocates bases its PFM on data that was readily available during the proceeding;²⁰ and (4) Cal Advocates has not identified an alternative to the current, Commission-approved PEV and income documentation processes and requirements to protect the integrity of the program.²¹

The Joint IOUs argue that while certain details related to income verification may not have been discovered by Cal Advocates until later, much of the information cited in the PFM was publicly available, and in some cases, even explicitly considered by the Commission. They argue that the fact that Cal Advocates did not expressly request this information in a data request in this proceeding until after the decision was issued does not render long-available facts new.²² Lastly, the Joint IOUs point out that if the Commission were to accept that existing and available facts could constitute the basis for a PFM, then there would be essentially no limit to what could support a PFM, and proceedings would effectively never close. Any party that is unhappy with part or all of a decision could simply continue to issue data requests or search in other manners for information and then proceed to request modifications based on that information. Alternatively, they state that parties could selectively engage in discovery on certain issues while the proceeding was open, ignoring other issues, knowing that they would get another opportunity to relitigate an issue through

¹⁸ Response of Joint IOUs to Cal Advocates' PFM of D.21-06-015 at 2-3.

¹⁹ *Ibid* at 3-4.

²⁰ *Ibid* at 4-5.

²¹ *Ibid* at 6-7.

²² *Ibid* at 5.

post-proceeding discovery and PFMs. Furthermore, the Joint IOUs claim that it would be unfair to the parties to the proceeding, who would be required to litigate major issues at the PFM stage without the benefit of the full evidentiary process such as comments, hearings, and workshops, and who would be unable to rely upon the finality of Commission decisions moving forward.²³

3.2. SoCalGas

SoCalGas does not support Cal Advocates' PFM. SoCalGas asserts that: (1) the PFM presents no new evidence to modify a Commission decision as it relies on data and information that was available during the proceeding;²⁴ and (2) Cal Advocates' proposed ordering paragraphs implement new requirements that are procedurally deficient as the Commission already addressed and decided on these issues in D.21-06-015.²⁵

3.3. TURN and CforAT

TURN and CforAT generally support Cal Advocates' PFM. Although TURN and CforAT do not comment on, or refer to the information Cal Advocates presents in the PFM as new facts/information that warrant a modification to the decision, they support changes to the current income verification policies and urge the Commission to initiate procedural steps to support the development of improved income verification policies and procedures.²⁶

²³ *Ibid* at 5-6.

²⁴ *Ibid* at 4-5.

²⁵ Response of SoCalGas to Cal Advocates' PFM of D.21-06-015 at 5, 7, and 10.

²⁶ Response of TURN and CforAT to Cal Advocates' PFM of D.21-06-015 at 5.

4. Discussion

4.1. Requirements for Revising a Commission Decision

Pub. Util. Code § 1708 provides that the Commission, after appropriate notice, may alter one of its prior decisions:

The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it. Any order rescinding, altering, or amending a prior order or decision shall, when served upon the parties, have the same effect as an original order or decision.

Rule 16.4 of the Commission's Rules of Practice and Procedure (Rules) governs petitions for modification. Specifically, Rule 16.4(b) states:

A petition for modification of a Commission decision must concisely state the justification for the requested relief...Any factual allegations must be supported with specific citations to the record in the proceeding or to matters that may be officially noticed. Allegations of new or changed facts must be supported by an appropriate declaration or affidavit.

4.2. Cal Advocates' PFM Does Not Allege New or Changed Facts

Cal Advocates' PFM of D.21-06-015 is denied as further discussed below.

Cal Advocates supports modifying D.21-06-015 based on information received in response to data requests sent after the issuance of D.21-06-015. In addressing compliance with Rule 16.4(b), Cal Advocates states that it did not learn that a high percentage of nonresponding customers were dropped from the CARE/FERA programs until after D.~~21-05-006~~[21-06-015](#) was issued in June 2021. And when it became aware of this fact, it immediately served data requests on the IOUs, and filed the PFM based on the information that the IOUs provided in response to these data requests. Therefore, Cal Advocates claims that all the data

and information discovered through the data requests after D.~~21-05-006~~[21-06-015](#) should be considered to support the relief.²⁷ Cal Advocates also notes that it was impossible for it to foresee the non-response and arrearage issues or predict what data would be relevant during the proceeding.²⁸ Lastly, Cal Advocates acknowledges that the 2019 LINA study is already in the record, and only point to it to support its factual allegations, as opposed to claiming it as newly discovered evidence.²⁹

The information Cal Advocates introduces includes IOU income verification and recertification data from 2017-2019, arrearage and disconnections data from 2017-2019, data from the IOUs' 2017-2019 Low Income Annual Reports, and recommendations from the 2019 LINA. This data was available during the proceeding since D.21-06-015 was issued in June 2021. Therefore, we do not consider the data used to support changes as new evidence or changed facts. Also, we are not convinced that Cal Advocates only learned that a high percentage of nonresponding customers were dropped from the CARE/FERA programs until after the issuance of D.21-06-015. During the proceeding, Cal Advocates issued various data requests to the IOUs regarding non-response rates and CARE attrition and even made recommendations on how to prevent CARE non-response attrition.³⁰ Therefore we are not persuaded by Cal Advocates' argument that it was impossible for it to foresee the non-response

²⁷ Cal Advocate's Reply to Responses to the PFM, at 3. [Note that Cal Advocates incorrectly references D.21-05-006, instead of D.21-06-015.](#)

²⁸ *Ibid* at ~~at~~ 4.

²⁹ *Ibid* at 4-5.

³⁰ Cal Advocates Amended Prepared Testimony on ESA and CARE Programs and Budgets for Program Years 2021-2026- SCE and SoCalGas Administrative Budgets and Measures and IOU Cost Effectiveness Thresholds, Energy Education and CARE Programs, at 2-4 to 2-5, Attachment 19, Attachment 25, and Attachment 26.

and arrearage issues or predict what data would be relevant during the proceeding, since it introduced testimony on the issue and proposed changes to the verification process during the proceeding.

Lastly, we are concerned that Cal Advocates' PFM is relitigating the same issues already thoroughly considered in Application (A.) 19-11-003 *et al.* The issue of CARE/FERA income verification procedures was specifically scoped in A.19-11-003 *et al.*:

Whether the proposed CARE program design (including, but not limited to, eligibility, enrollment, *recertification*, *verification*, capitation fees, reporting, marketing, education and outreach) is reasonable and should be established;

Whether the proposed FERA program design (including, but not limited to, eligibility, enrollment, *verification*, capitation fees, reporting, marketing, education and outreach) is reasonable and should be established.³¹

The proceeding addressed modifying program recertification rules (including extending the recertification time period for certain customers, exempting certain customer from recertification all together, and auto-recertifying “high probability” households),³² increasing the HU PEV thresholds,³³ expanding the outbound PEV calling efforts,³⁴ updating the PEV probability models used by the IOUs,³⁵ modifying the PEV income

³¹ Assigned Commissioner's Scoping Memo and Ruling, A.19-11-003 *et al.* at 4-5.

³² D.21-06-015, at 33-37.

³³ *Ibid* at 37-38.

³⁴ *Ibid* at 40-42.

³⁵ *Ibid* at 34.

documentation process,³⁶ and creating data sharing partnerships to aid with recertifications.³⁷

Cal Advocates participated actively and even proposed some of the same changes during the proceeding that it is now proposing in the PFM. Cal Advocates' PFM is not posing new issues or arguments that have not already been considered. In its prepared testimony in A.19-11-003 *et al.*, Cal Advocates recommended that the IOUs: (1) reinstate customers that were removed from the CARE program due to non-response, failed PEV, or failed recertification; (2) adopt, update and incorporate the IOU probability models for selecting participants for income verification, as recommended in the LINA Study; (3) auto-recertify customers that have a high-probability of being CARE-eligible; and (4) create data sharing partnerships with state and federal government agencies to help customers with the CARE recertification process.³⁸

The record reflects a tremendous number of comments and testimony presented on these issues. The Commission thoroughly analyzed the record and weighed all comments, facts and evidence introduced by parties, including Cal Advocates'. As a result, D.21-06-015 eased recertification and PEV rules for certain groups of CARE and FERA customers to reduce participation barriers and lower program attrition. This included: (1) creating IOU PEV pilot programs where the IOUs proactively call customers who have been selected for PEV but have not provided proper documentation; (2) extending the timeframe from

³⁶ *Ibid* at 38-39.

³⁷ *Ibid* at 43-44.

³⁸ Cal Advocates Amended Prepared Testimony on ESA and CARE Programs and Budgets for Program Years 2021-2026- SCE and SoCalGas Administrative Budgets and Measures and IOU Cost Effectiveness Thresholds, Energy Education and CARE Programs, 2-2 - 2-8.

every four years to every six years for fixed-income customers to recertify their program eligibility; (3) requiring the IOUs to update their PEV probability models for random PEV customer selection with the latest LINA study recommendations; (4) requiring less stringent income documentation from customers for PEV; and (5) modifying the threshold that triggers the HU PEV flag.³⁹ In the end, D.21-06-015 reflects a thoughtful consideration and balance of all party interests. Therefore, there is no basis to relitigate these issues and modify D.21-06-015 at this time.

4.3. Interim Solutions

Although we deny Cal Advocates' PFM, we acknowledge that the CARE and FERA recertification and income verification processes are a work in progress. They require ongoing improvements to minimize the burden on customers and allow for self-certification, while protecting the integrity of the programs. Given that the IOUs have indicated support for exploring future long term income verification solutions,⁴⁰ we direct the IOUs to work with all interested parties on potential enhancements to the current recertification and income verification processes in preparation for the next application cycle. These efforts will move forward without modifying the approved income verification procedures and policies currently in place.

Within 60 days after the issuance of this decision, the IOUs will form a sub-working group, under the current ESA Working Group authorized by D.21-06-015,⁴¹ to focus on improving the income verification procedures and policies. D.21-06-015 provides latitude for the Commission's Energy Division to

³⁹ D.21-06-015 at 33-45.

⁴⁰ Response of Joint IOUs to Cal Advocates' PFM of D.21-06-015 at 15.

⁴¹ D.21-06-015 at 413

“periodically update the scope of the Working Group’s role”⁴² where one of the guiding principles of the ESA Working Group is to “Resolve disagreements among stakeholders whenever possible to reduce the number of matters that need to be litigated before the Commission.”⁴³ Within 90 days after the issuance of this decision, the sub-working group will hold its first meeting.

This sub-working group will:

- Develop recommendations that could be implemented in the current program cycle to create more efficient, transparent, or less burdensome recertification and income verification process within the rules pursuant to D.21-06-015;
- Develop recommendations that could be proposed in the next program application cycle that will create more efficient, transparent, or less burdensome recertification and income verification processes while balancing the need to verify eligibility and protect the integrity of the program;
- Develop recommendations for additional reporting requirements in either IOU monthly or annual CARE/FERA reports to include data on arrearage and disconnection rates for customers removed from CARE/FERA due to non-response during recertification or PEV compared to other classes of customers (CARE-enrolled, non-CARE enrolled, etc.); and
- Explore the CalFresh Confirm Hub tool, as well as other data sharing partnerships, to verify customer income eligibility before requesting recertifications and PEV.

Within six months of the sub-working group’s first meeting, the IOUs will hold a public webinar that will be noticed over the proper service lists to present a status update. This public webinar will include a discussion of the

⁴² *Ibid* at 414.

⁴³ *Ibid*.

recommendations and ideas that the working group have been discussing and any concepts that could be immediately implemented by the IOUs. The webinar will also provide an opportunity for public participants who have not been part of the working group to provide input/feedback.

Lastly, the IOUs shall submit, as part of the joint mid-cycle progress report directed in D.21-06-015, the recommendations of the sub-working group as well as the next steps to implement any recommendations made.

5. Conclusion

This decision denies the April 15, 2022 petition for modification of D.21-06-015 filed by Cal Advocates.

6. Comments on Proposed Decision

The proposed decision of ALJ Ava Tran and ALJ Garrett Toy in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. ~~Comments~~Joint comments were filed on November 29, 2022 by TURN and CforAT, and reply comments were filed on December 5, 2022 by SCE and PG&E. We make minor corrections to non-substantive typographical errors throughout the document. Consistent with the Rules, we give no weight to comments that fail to focus on factual, legal, or technical errors. (Rule 14.3(c)).

7. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Ava Tran and Garrett Toy are the assigned ALJs in this proceeding.

Findings of Fact

1. The CARE program is a low-income energy rate assistance program established in 1989 to provide a discount on energy rates to low-income

households with incomes at or below 200 percent of the federal poverty guideline.

2. The FERA program is a low-income energy rate assistance program established in 2004 to provide a discount on energy rates to low and middle income households with incomes between 200 percent and 250 percent of the federal poverty guideline.

3. The CARE and FERA programs' income eligibility guidelines and discount rates are set in statute.

4. The CARE and FERA programs allow customers to self-certify that their income meets the program income eligibility requirement or that they are enrolled in a categorical qualifying income-based program in order to participate. Customers need not show proof of income eligibility in order to enroll in CARE or FERA.

5. There are three methods by which CARE and FERA customers are asked to verify their income after enrollment: recertification, post enrollment verification, and high usage post enrollment verification.

6. Recertification, post enrollment verification, and high usage post enrollment verification protect the integrity of the self-certification option, and balance the desire for the maximum number of eligible customers to participate in the programs with the need to verify participant eligibility.

7. Applications 19-11-003 *et al.* addressed the issues of recertification, post enrollment verification, and high usage post enrollment verification rules.

8. Decision 21-06-015 eased recertification, post enrollment verification and high usage post enrollment verification rules for certain groups of CARE and FERA customers to reduce participation barriers and lower program attrition, including: (1) creating IOU post enrollment verification pilot programs where

the IOUs proactively call customers who have been selected for post enrollment verification but have not provided proper documentation; (2) extending the timeframe from every four years to every six years for fixed-income customers to recertify their program eligibility; (3) requiring the IOUs to update their post enrollment verification probability models for random post enrollment verification customer selection with latest Low Income Needs Assessment study recommendations; (4) requiring less stringent income documentation from customers for post enrollment verification; and (5) increasing the high usage post enrollment verification flag from flagging a customer for only going over 400% baseline once every 12 months to going over 400% baseline three times in a 12 month period.

9. Cal Advocates' petition for modification requests that D.21-06-015 be modified to: (1) update the CARE income verification algorithms to be approved via Tier 2 Advice Letters; (2) conduct an outbound call pilot for households selected for recertification; (3) suspend CARE and FERA income verification for at least 6 months, which can be extended, until a more efficient and less burdensome income verification process is developed; (4) collaborate with interested parties to develop an alternate income verification process, and have them provide quarterly updates to the Commission; (5) work with interested parties to identify how to improve existing verification methods; (6) automatically re-enroll any customers removed from CARE/FERA due to their non-response to income verification requests, and return any lost discounts and back-charges to these customers in the form of a bill credit; (7) prohibit IOUs from back- charging customers who are removed from CARE/FERA for the CARE/FERA discount; and (8) credit customers who do not respond to

verification requests, but who re-enroll within three billing cycles and demonstrate eligibility, with the missed CARE/FERA discount.

10. Cal Advocates' petition for modification was opposed by PG&E, SCE, SDG&E and SoCalGas.

11. Cal Advocates' petition for modification was supported by TURN and CforAT.

12. Cal Advocates' petition for modification did not present relevant new or changed facts.

Conclusions of Law

1. It is reasonable to deny Cal Advocates' petition for modification of Decision 21-06-015.

2. It is reasonable that this order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. The April 15, 2022 petition for modification of Decision 21-06-015 filed by the Public Advocates Office at the California Public Utilities Commission is denied.

2. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company, shall form a sub-working group, under the current Energy Savings Assistance Working Group authorized by Decision (D.) 21-06-015, within 60 days after the issuance of this decision to focus on improving the income verification procedures and policies. The sub-working group shall:

- a. Develop recommendations that could be implemented in the current program cycle to create more efficient, transparent, or less burdensome recertification and income

- verification process within the rules pursuant to D.21-06-015;
- b. Develop recommendations that could be proposed in the next program application cycle that will create more efficient, transparent, or less burdensome recertification and income verification processes while balancing the need to verify eligibility and protect the integrity of the program;
 - c. Develop recommendations for additional reporting requirements in the utilities' monthly or annual California Alternate Rates for Energy and the Family Electric Rate Assistance reports; and
 - d. Explore the CalFresh Confirm Hub tool, as well as other data sharing partnerships, to verify customer income eligibility before requesting recertifications and post enrollment verifications.
3. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company, shall hold the first sub-working group meeting within 90 days after the issuance of this decision.
4. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company, (collectively IOUs) shall hold a public webinar within six months of the sub-working group's first meeting to present a status update. The public webinar will include a discussion of the sub-working group's recommendations and ideas and any concepts that could be immediately implemented by the IOUs.
5. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company, shall submit, as part of the joint mid-cycle progress report directed in Decision 21-06-015, the recommendations of the sub-working group as well as the next steps to implement any recommendations made.

6. Applications (A.) 19-11-003, A.19-11-004, A.19-~~11-005~~11-005, A.19-11-006 and A.19-11-007 are closed.

This order is effective today.

Dated _____, 2022, at San Francisco, California.

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